

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 11646 110402Z

11

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AGR-20 CIAE-00 COME-00 INR-11

LAB-06 NSAE-00 RSC-01 SP-03 STR-08 TRSE-00 SWF-02

CIEP-03 FRB-03 OMB-01 L-03 H-03 OPIC-12 SS-20 NSC-07

PA-04 PRS-01 USIA-15 DRC-01 /161 W

----- 097438

R 101606Z SEP 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3752

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

USMISSION OECD PARIS

AMCONSUL BELFAST

AMCONSUL EDINBURGH

AMCONSUL LIVERPOOL

LIMITED OFFICIAL USE LONDON 11646

E.O. 11652: N/A

TAGS: ELAB, UK

SUBJECT: THE TUC -- WORKERS IN EXECUTIVE SUITE:

YES ... BUT

REF: LONDON 11575

1. BEGIN SUMMARY: AMONG ITS LAST ACTS (FRIDAY, SEPTEMBER . 6),

THE TUC CONGRESS IN BRIGHTON ADOPTED A POLICY ON WORKERS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 11646 110402Z

PARTICIPATION IN INDUSTRY CALLING FOR A VOLUNTARY PROGRAM

OF FIFTY PERCENT REPRESENTATION ON BOARDS OF SUPERVISION OF BRITISH COMPANIES. THE TUC GENERAL COUNCIL HAD PREVIOUSLY RECOMMENDED THAT A SYSTEM OF SOME FORM OF WORKERS' REPRESENTATION BECOME A MANDATORY PART OF UK COMPANY LAW, BUT THAT THE CONGRESS REJECTED THIS NOTION IN FAVOR OF A COMPLETELY VOLUNTARY SYSTEM. IN ANY EVENT, LEGISLATION IN THIS AREA DOES NOT APPEAR TO BE A FIRST-LEVEL PRIORITY FOR THE TUC OR FOR THE LABOR GOVERNMENT. END SUMMARY.

2. TUC GENERAL SECRETARY LEN MURRAY, IN OPENING DEBATE ON CONTROL-SHARING BY WORKERS IN INDUSTRY, SPELLED OUT IN THE TUC DOCUMENT ON INDUSTRIAL DEMOCRACY (BEING POUCHED) WHAT THE TUC MEANT. HE CALLED FOR A TWO-TIER SYSTEM OF SUPERVISORY AND MANAGEMENT BOARDS -- ON-HALF OF THE SUPERVISORY BOARD "TO BE APPOINTED BY WORKPEOPLE, THROUGH TRADE UNION MACHINERY." THE SUPERVISORY BOARD WOULD BE THE SUPREME BODY "RESPONSIBLE FOR DETERMINING COMPANY OBJECTIVES, THE POLICIES (INCLUDING INVESTMENT) NECESSARY FOR THEIR ACHIEVEMENT, AND FOR MONITORING AND REPORTING PROGRESS TO WORKPEOPLE AS WELL AS TO SHAREHOLDERS..." THE MANAGEMENT BOARD WOULD BE APPOINTED BY THE SUPERVISORY BOARD AND WOULD BE RESPONSIBLE FOR DAY-TO-DAY RUNNING OF THE COMPANY. (IT WAS ALSO NOTED IN THE TUC DOCUMENT THAT WORKERS' REPRESENTATIVES ON THE BOARD WOULD BE ABLE TO RETAIN UNION OFFICE.)

3. FOR MURRAY, THIS SYSTEM WAS ESSENTIAL TO "GREATER DEMOCRACY AND GREATER EQUALITY IN ALL WALKS OF LIFE IN THIS COUNTRY." HE SAID: "TRADE UNIONISTS ARE INCREASINGLY DEMANDING THE RIGHT TO SHARE IN THE MAJOR DECISIONS IN INDUSTRY, BECAUSE THOSE DECISIONS DETERMINE HOW THEY ARE GOING TO SPEND THEIR WORKING LIVES AND INDEED THE WHOLE PATTERN OF THEIR LIVES AND OF THEIR FAMILIES."

4. THE TUC DOCUMENT HAD SUGGESTED "MANDATORY CHANGES" IN THE UK COMPANIES ACT WHICH WOULD PROVIDE FOR "SOME FORM OF WORKER-PARTICIPATION AT BOARD LEVEL," BUT MURRAY, IN INTRODUCING THE TUC DOCUMENT FOR APPROVAL, ADDED, HOWEVER, "WE ARE NOT SAYING THAT IF THE UNIONS INVOLVED IN PARTICULAR ENTERPRISE DID NOT WISH TO GET INVOLVED IN THIS WAY THEY COULD BE COMPELLED TO DO SO."

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 11646 110402Z

BUT THERE WAS STRONG CONGRESS OPPOSITION FROM SEVERAL IMPORTANT UNIONS TO ANY SUGGESTION OF COMPULSION. (A NUMBER OF LEFT-WING, MODERATE AND CONSERVATIVE UNIONS, IN A RARE DISPLAY OF UNITY, JOINING HANDS TO OPPOSE MANDATORY IMPOSITION OF WORKERS ON SUPERVISORY BOARDS.) IN THE END, THE CONGRESS VOTED OVERWHELMINGLY FOR A COMPOSITE MOTION WHICH, WHILE ACCEPTING THE BASIC TUC DOCUMENT CALLING FOR 50 PERCENT WORKER REPRESENTATION ON COMPANY BOARDS, REJECTED MANDATORY IMPOSITION AND THE

COMPOSITE MOTION URGED INSTEAD "A MORE FLEXIBLE APPROACH
GIVING STATUTORY BACKING TO THE RIGHT TO NEGOTIATE ON THESE
MAJOR ISSUES, BUT RELATING THE CONTROLS MORE DIRECTLY
TO COLLECTIVE BARGAINING MACHINERY."

5. MURRAY, IN HIS TYPICAL CONSENSUS STYLE, SAW NO CONFLICT
BETWEEN THE ORIGINAL TUC DOCUMENT AND THE MOTION MODIFYING
IT. THIS SOMEWHAT AMBIVALENT APPROACH TO THE ISSUE MAKES IT
APPARENT THAT GETTING WORKERS INTO THE EXECUTIVE SUITE IS NOT
A FIRST PRIORITY FOR MOST TUC UNIONS. IT IS ALSO IMPROBABLE
THAT THE ISSUE IS HIGH ON THE LABOR GOVERNMENT'S AGENDA.
(THE CONSERVATIVES HAVE LIMITED THEMSELVES TO THE SUGGESTION
THAT IT SHOULD BE THE OBLIGATION OF INDUSTRY TO CONSULT
REPRESENTATIVES OF EMPLOYEES ON A WIDE RANGE OF ISSUES -- A
VIEW REJECTED AS TOTALLY INADEQUATE BY THE TUC). IT SHOULD BE
NOTED, HOWEVER, THAT DESPITE THE OBVIOUS LACK OF PASSION FOR
GETTING WORKERS ON THE BOARDS NOW, THE TUC IS CLEARLY ON RECORD
FAVORING THE IDEA. IT NOW HAS A DETAILED POLICY ON THE SUBJECT,
AND IT COULD BECOME MORE ENTHUSIASTIC FOR STRONGER ACTION
TO IMPLEMENT ITS POLICY LATER ON. MOREOVER, WITHIN THE CONTEXT
OF THE EUROPEAN COMMUNITY, THE TUC POLICY WILL GIVE ADDED SUPPORT
TO THOSE FORCES IN EUROPE, MOST NOTABLY THE GERMAN DGB,
WHICH ARE SEEKING THE INCLUSION OF WORKER-PARTICIPATION
CLAUSES WITHIN A EUROPEAN COMPANY STATUTE.
SOHM

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CENTRAL GOVERNMENT, LABOR OBJECTIVES, LABOR POLICY LINE, LABOR UNION OFFICIALS, INTERNATIONAL LABOR ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON11646
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740252-0625
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740960/aaaabyrx.tel
Line Count: 140
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: LONDON 11575
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by collinp0>; APPROVED <27 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: THE TUC -- WORKERS IN EXECUTIVE SUITE: YES ... BUT
TAGS: ELAB, UK, ICFTU, (JONES, JACK)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005